

**REPORT**

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# Grand jurors indict Rewald on first-degree theft charges

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The Oahu grand jury yesterday indicted investment counselor Ronald R. Rewald on the same two first-degree theft charges for which police arrested him Monday night.

Rewald last night was still in custody, unable to post the massive \$10 million bail in effect since his arrest. His defense attorney, Brook Hart, said yesterday he will file a bail reduction motion in court today.

Rewald is alleged in the indictment to have stolen some \$300,000 from two men who invested the money with Rewald's international investment consultant firm, Bishop, Baldwin, Rewald, Dillingham and Wong, Inc.

The company has been under the control of a court-appointed bankruptcy trustee, Thomas Hayes, for slightly more than a week.

The firm, Rewald and others are under investigation by a number of federal, state and local agencies, including the FBI, Securities & Exchange Commission (SEC), IRS and the state Department of Commerce and Consumer Affairs.

Publicity generated by government interest in the company surfaced two weeks ago. Rewald attempted suicide July 30. That event was quickly followed by mass resignations of company officials and consultants and the intervention of bankruptcy court.

Hayes testified in court last Friday that corporate financial records indicated some 300 investors in the firm were owed approximately \$17 million as of June 30. It is unclear how much of that total represents initial cash investments and how much, if any, represents actual and projected interest earnings.

Hayes said he was able to identify corporate assets worth only a small portion of that \$17 million total, and most of them were real estate properties purchased in Rewald's name with company funds.

The company is alleged in court files to have promised investors "guaranteed" 20 percent interest earnings.

However, only a handful of Bishop-Baldwin investors have filed claims against the firm with bankruptcy court since Hayes took control of the firm, a check of the court filings yesterday showed.

Yesterday in state court three Indonesian citizens filed a lawsuit against Rewald, his company and other defendants, seeking recovery of some \$1 million invested with the company.

The three, Gunadi Gautama, Henry Suhendra and Hidayat Singgih, alleged in the suit that an official of a local bank where they had done business persuaded them to invest with Rewald.

The official left the bank in 1980 to work as a consultant with Rewald's company.

In other developments yesterday, federal officials with secret security classifications continued to review a batch of documents from Rewald's company for any paperwork that would compromise CIA activities.

The review was initiated at the request of